

Section 10 of the Use Tax Act, 35 ILCS 105/10, provides that a purchaser of a motor vehicle from an out-of-State retailer shall file a return (Form RUT-25, Motor Vehicle Use Tax Return) with the Department and remit the proper amount of tax due on the selling price of the motor vehicle within 30 days after such motor vehicle is brought into this State for use. (This is a GIL).

January 24, 2002

Dear Xxxxx:

This letter is in response to your letter dated December 31, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

My inquiry concerns the Vehicle Use Tax rate for used motorcycles.

The following paragraph appears in:

Illinois Compiled Statutes  
Vehicles  
Illinois Vehicle Code  
6251LCS 5/3--1001  
Article X. Vehicle Use Tax  
' ...

***For a transaction in which a motorcycle, motor driven cycle or motorized pedalcycle is acquired the tax rate shall be \$25.***

...'

In these statutes, I find no qualification upon the Vehicle Use Tax rate that would make it depend upon whether a used motorcycle is purchased from a dealer or from an individual.

I purchased a *used* motorcycle, for \$5100, from a dealer in CITY/STATE. The revenue clerk at an Illinois DMV forced me to use form RUT-25 and pay \$344 instead of using form RUT-50 and paying \$25, because the purchase was from a dealer instead of from an individual.

It appears to me that the Illinois statutes do not distinguish between a purchase, of a used motorcycle, made from a dealer in contrast to a purchase made from an individual.

On this basis I believe that my Vehicle Use Tax rate should be \$25 and that I should get a refund of \$319.

If my claim is true, then please advise me about how to obtain my refund.

Otherwise, please direct me to those Illinois statutes, applicable to used motorcycles, which state that different tax rates apply to dealer purchases in contrast to individual purchases.

Section 10 of the Use Tax Act, 35 ILCS 105/10, provides that a purchaser of a motor vehicle from an out-of-State retailer shall file a return (Form RUT-25, Motor Vehicle Use Tax Return) with the Department and remit the proper amount of tax due on the selling price of the motor vehicle within 30 days after such motor vehicle is brought into this State for use. The Vehicle Use Tax applies if the motor vehicle is not purchased at retail from a retailer. 625 ILCS 5/3-1001 (2000 State Bar Edition). Specifically, the Vehicle Use Tax is applied in situations where the motor vehicle is purchased from an individual, is a gift, or is inherited. If an out-of-State purchase of a motor vehicle is not from an out-of-State retailer, but instead is from an out-of-State individual, the Vehicle Use Tax applies.

Since you purchased your motorcycle from an out-of-State dealer, you were required to pay the Use Tax on a RUT-25.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk